

NATIONAL TRANSPORTATION SAFETY BOARD

In the Matter of:ACCIDENT OF THE LADY D
ON MARCH 6, 2004
in Baltimore, Maryland

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Docket No. DCA 04 MM015

Sunday,
March 7, 2004

INTERVIEW OF:

ANDREW MURRAY

PRESENT:

MORGAN J. TURRELL, NTSB
MARK HAMMOND, Coast Guard
TOM ROTH-ROFFY, NTSB
CORPORAL SHOCKEY
RON SILVER

P R O C E E D I N G S

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MR. TURRELL: We at the
Army Corps of Engineers. It is Sunday, March 7 at
15:00. We are going to interview a company official of
the water taxi service.

This is Morgan Turrell of the NTSB and the
Group Chairman for Operations and Human Performance.
And with us today are the other interviewers.

LIEUTENANT COMMANDER HAMMOND: Lieutenant
Commander Mark Hammond, Coast Guard Sector, Baltimore.

CORPORAL SHOCKEY: Corporal Shockey, Maryland
Natural Resources Police.

MR. SILVER: Ron Silver --

MR. TURRELL: And the witness?

MR. MURRAY: Andrew Murray, and I am Director
of the Natural Historic Seaport of Baltimore.

MR. TURRELL: Okay. And what is your position
at, what is your relative position with Seaport Taxi
Service?

MR. MURRAY: Well, I will give you a little
bit longer answer. The Natural Historic Seaport of
Baltimore is partnership of the attractions, Maritime
attractions in the Inner Harbor of Baltimore, all the
way up to Fort McHenry, Fort McHenry is a partner. I

1 am director of that and the Seaport Taxi is one of the
2 components of the Natural Historic Seaport and it links
3 many of our attractions by water.

4 MR. TURRELL: Okay. And how long have you
5 served in that capacity?

6 MR. MURRAY: I joined the company in February
7 of 2001 in that capacity.

8 MR. TURRELL: And before that?

9 MR. MURRAY: Before that I was a managing
10 director and chief operating officer of a KPMG
11 Consultant Subsidiary in Washington, D.C.

12 MR. TURRELL: Okay. And what is your age, sir?

13 MR. MURRAY: Forty seven.

14 MR. TURRELL: And how were you told about the
15 accident yesterday, how did you find out about it?

16 MR. MURRAY: I returned home at approximately
17 5:30 picking my son up from a birthday party, and my
18 wife said there is an urgent call from my boss, James
19 Bond, at the Living Classroom Foundation. And she also
20 indicated there had been a water taxi accident. So, I
21 called James immediately and he informed me there was
22 an accident and he didn't know a whole lot more and
23 asked me to come down. And actually I had turned on
24 the TV, just to get a sense of, since James said he
25 didn't know a whole lot, that at least see what the TV

1 was reporting. I watched that for about 10 minutes
2 and I came down.

3 MR. TURRELL: Okay. And when you came into the
4 Center, where did you first go, did you come here, or
5 did you --

6 MR. MURRAY: No, I went to the Seaport Taxi
7 office over at the Living Classroom Foundation campus.

8 MR. TURRELL: Okay. Do you have some sort of
9 crisis plan that you put into effect or there is some
10 formalized arrangement?

11 MR. MURRAY: Yes and no, I guess, yes, there
12 is, if there is ever an accident and it is the
13 Foundation has a set of procedures for any boat
14 accident. And it basically is the senior staff of the
15 Foundation must be contacted by phone. I am one of
16 those people, but, James, etc., that we should contact
17 our insurance agent, and get, let him know as much as
18 possible and we should fill out any necessary forms,
19 Coast Guard casualty forms. So, and there might be
20 something, I am missing, but basically those three.

21 MR. TURRELL: Okay. And as news came to you
22 from the Center, after you started getting reports,
23 there seemed to be a major accident, how was it
24 clarified to you when you actually started getting
25 actual information from the scene?

1 MR. MURRAY: In the Seaport Taxi office, I
2 heard, actually from Ron, who had come over and gotten
3 near the accident, in one of other Seaport Taxis, that
4 he, that the Coast Guard and Naval rescue teams, I
5 can't remember, or both, I guess. And his initial
6 recollection was that all 25 had been, maybe not
7 rescued, but at least pulled off the boat, and that the
8 Coast Guard said that they, they counted and, I guess,
9 that there was no need for him to be there anymore.
10 But, then there were kind of disputing reports about,
11 from waht we were hearing on the radio and news about,
12 you know, when I was at home, about an hour before, I
13 heard there were 18 people missing, 12 and so, I said,
14 and I said, we really have got to get confirmation
15 whether someone has been hurt here. And I said, the
16 only, where can we get that and I think, Commander, did
17 you, were you in --

18 LIEUTENANT COMMANDER HAMMOND: Yes, I had a
19 briefing.

20 MR. MURRAY: Right. And he, the Commander
21 indicated to us that the best knowledge would be over
22 here. So, myself, and Ron decided to try over here to
23 learn more, to see if we could actually get an accurate
24 count of how many people had come out of the water.
25 And, of course, once I entered, then the events took

1 their course.

2 MR. TURRELL: Okay. What can you tell us about
3 the, at the Director's level, how much oversight you
4 have in and below you and in the Seaport Taxi
5 organization would be with?

6 MR. MURRAY: Ed Narizzano, who is Director of
7 the actual operation.

8 MR. TURRELL: Okay.

9 MR. MURRAY: And when Ed is not there, Ron is
10 number two in charge. But, most of my interaction is
11 with Ed.

12 MR. TURRELL: Okay. And what would you
13 characterize your involvement with Ed, daily, weekly?

14 MR. MURRAY: It varies. And it is -- off,
15 since I joined, when I joined in 2001, there were some
16 issues with the operation, the boats were not all not
17 functional. We had just brought them the year before.

18 So, my interaction was, I was probably spending 50
19 percent of my time with Ed with regard to the operation
20 in 2001. The last two years, you know, I feel they
21 have really gotten the operation together. We have
22 doubled our revenues and a very clean safety record
23 last year. And so, to answer your question, I would
24 probably say 15 percent of my time.

25 MR. TURRELL: Okay. And in hours, per week,

1 how much time with regards to, say 10 hours, four
2 hours.

3 MR. MURRAY: Yes. Well, let me, for the last
4 four and a half months I have been half time in
5 capacity.

6 MR. TURRELL: Okay.

7 MR. MURRAY: As director, so, you know, I
8 would spend 15 percent of my half time, so I am
9 probably looking at four, five hours a week.

10 MR. TURRELL: Okay. And in those five, four to
11 six hours a week, what was is the nature of that time
12 spent, what do you, what do you look at? Where do you
13 have concerns?

14 MR. MURRAY: Financial matters that certainly
15 is important. The operation needs to be viable to grow
16 and to be safe. So, we invest in equipment. That
17 would probably be the top of my list. But, that, that
18 is the top of my, that is really my major
19 responsibility.

20 MR. TURRELL: Okay.

21 MR. MURRAY: And operationally, I am not too
22 involved because, (1) I am not a, I am not a mechanic,
23 I am not a marine person. So, I have very little to
24 offer, my background is really financial management.
25 And I really trust our team and Ron, to do that. So,

1 my next focus would really be more on customer service,
2 strategic plans.

3 MR. TURRELL: And are you familiar with the --

4 MR. MURRAY: Ed and I prepare --

5 MR. TURRELL: Can you give me a general
6 breakdown, to the best of your knowledge, of how
7 Seaport Taxi spends its money in operations, fuel,
8 manning, safety?

9 MR. MURRAY: Half the payroll is for labor.

10 MR. TURRELL: Okay.

11 MR. MURRAY: Staff. In fact, when you add in
12 FICA and insurance it probably gets up to 60 percent.
13 Maintenance is, probably runs 50, 60,000 a year.
14 Probably closer to 10 percent. We have, you know,
15 basic operating expenses, like insurance, which are
16 standard but probably five percent interest on the loan
17 that we took to buy the company. Actually it is
18 getting pretty minimal, we have paid a lot of it down.
19 The depreciation, and administrative charge would be
20 the only major cost.

21 MR. TURRELL: Okay. And fuel?

22 MR. MURRAY: Fuel ran us about 8,000 last
23 year. It was probably about eight it is about seven
24 percent of our costs.

25 MR. TURRELL: And to the best of your

1 knowledge, equipment like, equipment improvements,
2 capital improvements, safety improvements, how much,
3 any major expenditures in the last year that you can
4 remember, like buying new life jackets or --

5 MR. MURRAY: Yes. First of all, we brought a
6 new boat last, not last fall, but the prior fall. And
7 of course, so, that was a major capital expenditure.
8 That was a 100,000 plus and then all the equipment that
9 goes with it.

10 MR. TURRELL: Okay.

11 MR. MURRAY: We have totally upgraded the
12 engines in the last two years. And are actually part
13 of a Mercury test engine program. So, between new
14 engines, and test engine, the engines are almost all
15 new.

16 MR. TURRELL: Okay.

17 MR. MURRAY: This winter we had upgraded
18 significantly the cable and steering. And then there
19 is the usual cosmetics, painting, carpeting, but, over
20 the last three years, we have done tremendous amounts
21 of updates on the boats and -- So, it depends on the
22 boat, but it certainly is significant. To the point I
23 felt very comfortable operationally with the engines,
24 the steering, the cable, the really important stuff.

25 MR. TURRELL: Okay.

1 MR. MURRAY: And that was all really part of a
2 winter project. Those records are available.

3 MR. TURRELL: Okay. And what is your mode of
4 communication with Ed, is it personal or is it
5 telephone, e-mail?

6 MR. MURRAY: It is a combination of e-mail and
7 cell phone or land phone. So I would say 50 percent e-
8 mail, 50 percent phone of some kind.

9 MR. TURRELL: Okay.

10 MR. MURRAY: Well, I am sorry, I will take
11 that back. I mean, we are face to face 25 percent of
12 the time. So, it is probably a third, 40 percent
13 e-mail, 30 percent phone and the rest face to face.

14 MR. TURRELL: Okay. Any disciplinary problems
15 in the crew or the staff that are notable?

16 MR. MURRAY: Nothing unusual. We, the nature,
17 part of our mission is to hire at risk kids and you
18 know, give them their first job, so that creates a fair
19 amount of challenges that we deal with each summer.

20 MR. TURRELL: Okay.

21 MR. MURRAY: But, this crew was not part of
22 that. This was a much experienced crew. And nothing
23 out of the ordinary, the usual, yes, we are dealing
24 with HR issues and they are concentrated during the
25 summer when we ramp up to 60 plus employees. I have

1 given Ed, I have just finished his review about three
2 weeks before, and I actually gave it on the phone,
3 expectation rating and quite a good rating.

4 MR. TURRELL: Okay. Normally where, when you
5 are hiring, like you hire captains and the mates
6 recently, where do you find these people, how do you
7 recruit the crew members?

8 MR. MURRAY: I am not involved typically in
9 the direct recruiting of those, but, my understanding
10 is, word of mouth. It is kind of a tight net network
11 of captains. So, word of mouth, returning, a lot of
12 captains will leave for the winter. There are seasonal
13 captains that go to Florida and will come back. So, a
14 fair amount of returning and that is probably more on
15 the captain side, although, and we occasionally will
16 have to advertise for captains. And on the mate side,
17 it is word of mouth and ads, I guess, and we go to a
18 select group of Baltimore City schools and do a
19 recruiting program as well, in, in the spring, we would
20 normally do that about March.

21 MR. TURRELL: Okay. Now this specific boat
22 that was involved, can you jsut give us the name of, a
23 basic description of the craft, best to your knowledge?

24 MR. MURRAY: It is the number one boat. That
25 is how I know it. I have ridden on it many times. It

1 is and the description is, like all, all of our boats,
2 pontoon boat. It is narrower than some of our bigger
3 boats, but it is a 25 passenger boat.

4 MR. TURRELL: Okay.

5 MR. MURRAY: It is an enclosed boat, glass
6 enclosure. And I don't really have any recollection
7 outside of that.

8 MR. TURRELL: Okay. And how often do you ride
9 the boats, so you observe the operation?

10 MR. MURRAY: In the summer time a lot. By
11 that I mean, I am usually getting on it at least a
12 couple of times a day, somewhere around the Harbor.
13 Because typically I am out looking at the other
14 operations that fall under me, and then I will use the
15 taxi as a way to get back to the office. So, I,
16 during the summer easily one time a day, if not twice.
17 And, and typically when I am on the boats, I am
18 talking to the captain, getting feedback from them
19 about the operation, how the business is going. They
20 are free to talk to me. And then I am also trying to
21 take a good look at our mates because we put them a
22 customer service program. And these, these are the
23 summer kids, and we want to make sure they are, you
24 know, they are performing well and dressed properly. A
25 lot of the customers --

1 MR. TURRELL: Okay. And is the success rate
2 for these kids, pretty good or --

3 MR. MURRAY: Yeah, given the nature of them, I
4 mean, we will lose four or five a year for disciplinary
5 actions or they just leave. But, I would say given the
6 nature of what we are hiring, we feel pretty good that
7 most of them, most of them will get through it and it
8 is their first job, and you know.

9 MR. TURRELL: What are the characteristics or
10 minimum qualifications that you are looking for in
11 order to hire one of these kids?

12 MR. MURRAY: We like to get older high school
13 students or early, or college students. The older high
14 school students we try to get from Baltimore City
15 schools because that is, you know, part of our mission.
16 But, we were lending to college, just because we
17 wanted kids that have transportation. It is often
18 required in the summer to work very late. We, you
19 know, and we don't feel good about a kid going to a bus
20 stop at midnight. And so we felt better if they
21 either drove themselves or were at least older,
22 especially the girls. And we try to hire 50/50.

23 MR. TURRELL: Sure.

24 MR. MURRAY: We don't want to see girls at bus
25 stops at midnight.

1 MR. TURRELL: Right. Company policies
2 regarding drug testing, sexual harassment, other type
3 of broad sweeping company policies.

4 MR. MURRAY: I, I would say standard for
5 company of this nature. I mean, drug policy,
6 especially in any operation on the water. Like I am
7 not drug tested because I am not a captain, but, anyone
8 that is licensed, both the captains and the mates, when
9 they sign on, it is made clear they will have to be
10 part of a random drug testing program and that has been
11 an active program. And we have had incidents where
12 people refused to take a drug test and they are asked
13 to leave. Or we had people failing and they were asked
14 to leave. So, sexual harassment, you know, we don't
15 tolerate that. There is a pretty firm policy on it.
16 And we had a couple incidents last summer and once we
17 could verify that it occurred, we released the people.

18 MR. TURRELL: So, these sets of policies, are
19 they, passed to the masters in some sort of format --

20 MR. MURRAY: Well, these are company policies
21 and they are normally disseminated to new employees in
22 the initial training and customer service training.
23 There is a handbook on stuff, any new employee should
24 get that. I am not sure if I answered your question.

25 MR. TURRELL: Okay. Oh, no, that is fine. I

1 am just looking for the dissemination of information.

2 MR. MURRAY: Right.

3 MR. TURRELL: So, what can you tell me about
4 this, this particular run, to your knowledge, the
5 history of between Fort McHenry and Fells Point?

6 MR. MURRAY: Well, it is a very important run
7 for us because it is part of, since Fort McHenry is one
8 of our partners in the Natural Historic Seaport, we
9 were given a lease from the city to land at the Fort
10 McHenry dock. And it is really a competitive advantage
11 for us over our competitor, the Water Taxi, the Red --
12 Taxi. And, you know, we have a tremendous amount of
13 tourists that want to go out to the Fort by water and
14 not take a bus, which is what the other service offers.

15 So, it is very important. As you may know their
16 actual dock was severely impaired in the hurricane last
17 September and thus, we got the necessary approval or
18 the fire boat dock this fall. And we have been pushing
19 the City to get the, the proper pier back in operation
20 this, you know, as soon as possible and we have gotten
21 word from the City that they have actually let the
22 contract out and the work is to begin in the next few
23 weeks.

24 MR. TURRELL: Okay. So, any, any problems
25 that you know of for this particular boat, or other

1 weather related problems that have happened in the past
2 at all?

3 MR. MURRAY: No. Not with this boat, no.

4 MR. TURRELL: Okay. And do you know if there
5 is any serious incidents since you have been here with
6 the water taxi?

7 MR. MURRAY: Two summers ago, we actually had
8 somewhat of a, a similar incident, but with, obviously,
9 not, much different outcome, in that weather came up,
10 very, very quick.

11 MR. TURRELL: Okay.

12 MR. MURRAY: And as Frank was trying to do, he
13 made a, the boat made a run for BMC and made it to BMC,
14 which was the good news. But, as it came into the
15 dock, it lost power and hit the dock pretty hard and
16 did some damage to the boat. That damage has since
17 been repaired. And we filed the necessary Coast Guard
18 reports. I am sure that is on file.

19 MR. TURRELL: Any injuries?

20 MR. MURRAY: No.

21 MR. TURRELL: Okay. I will just turn it over
22 to the Commander right now.

23 LIEUTENANT COMMANDER HAMMOND: How would you
24 characterize morale in the company?

25 MR. MURRAY: Seaport Taxi or --

1 LIEUTENANT COMMANDER HAMMOND: Seaport Taxi.

2 MR. MURRAY: I would say morale is fair to
3 good. This winter we cut back for one boat because it
4 was so cold. We actually, so, you know we laid off a
5 couple of more people than we normally would, so, those
6 people were probably not happy, but they knew it was
7 strictly a seasonal thing and that beginning, not this
8 upcoming week, but, the 15, we were going to start
9 ramping up for full season. I think Ed is a strong and
10 good leader, but he has got, he has got a little bit of
11 that New York toughness in him. And so some people
12 don't like that. The captains, you know, generally, I
13 am probably saying too much, the captains generally are
14 like autonomy and Ed is very tough on following rules
15 and safety. And so, but, I would say overall, I mean,
16 the operation in three years under Ed and Ron's
17 leadership, we have doubled revenues. We have taken it
18 from our, our competitive and until this incident, we
19 had a great safety record. So, you know, people
20 generally were enjoying it.

21 LIEUTENANT COMMANDER HAMMOND: Okay. You
22 mentioned you just began after the hurricane to putting
23 your operations out of this dock right here. But, do
24 you know what are the basic differences between
25 traveling to that dock and this dock? Are there

1 significant changes that the captains have to, or is it
2 pretty much the same operation, that you know of?

3 MR. MURRAY: I really don't know. The, the
4 only thing I know is it is a floating dock versus
5 stationary dock. But, how they land, etc., I am not
6 sure. And I quite frankly after the hurricane dealing
7 with hurricane issue, for at almost a month and then
8 the weather set in. So, I actually haven't been out
9 here to land on that, so, but, I guess the major
10 difference is you are dealing with a floating dock
11 versus stationary.

12 LIEUTENANT COMMANDER HAMMOND: Okay.

13 MR. MURRAY: But, we, we actually dealt with
14 the fire chief and got the necessary approval to do it.

15 LIEUTENANT COMMANDER HAMMOND: Has there been
16 any feedback, good or bad, or otherwise from the
17 captains?

18 MR. MURRAY: On this landing?

19 LIEUTENANT COMMANDER HAMMOND: That you are
20 aware of.

21 MR. MURRAY: None, none, that I have had. It
22 is just to say that we were looking forward to getting
23 the Fort dock back, (1) because it is, it is a private
24 dock, and we don't have to march everyone through in
25 the gate, but, no.

1 LIEUTENANT COMMANDER HAMMOND: Are you
2 familiar with Seaport Taxi's trainign program for new
3 employees, like captains, can you describe that?

4 MR. MURRAY: Well, I am familiar with any new
5 employee whether they are mate or captain. And that is
6 to go through a one day kind of orientation, that has
7 and that also, well, it is an orientation customer
8 service program. It orients them to what Living
9 Classroom is as well as customer service, etc. And
10 then, and then Ron takes over and has their own, so all
11 employees in the Foundation go through that. That is
12 kind of general. Then Ron and Ed take over, and do a
13 much more specific Seaport Taxi training program when
14 they will do man overboard drills and stuff specific to
15 the taxi. I have participated in one of those two
16 years ago. I did not participate last year. But, I
17 knwo that is given three or four times during the
18 spring to, to, because we have people come on at
19 different times.

20 LIEUTENANT COMMANDER HAMMOND: Is there a
21 specific program that they follow, like a list that
22 gets filled out, sort of checklist that they follow or
23 is it pretty much just --

24 MR. MURRAY: I am not sure, Commander. I, I
25 know, I am pretty sure they will do a man overboard,

1 overboard drill. You know, just a lot of operational
2 safety stuff, it is very safety oriented. But, it has
3 changed each year, since I did not participate in it
4 last year.

5 LIEUTENANT COMMANDER HAMMOND: Okay. How would
6 you describe your relationship with Captain Deppner?

7 MR. MURRAY: I really didn't know him that
8 well. The few times I had seen him, typically, most of
9 my interaction is from Harbor Place to Fells Point or
10 to Pier 5 where my office is. And this was kind of his
11 run out here. So, I rarely took this run and this is
12 what he did the last two years. So, I can't say I knew
13 him that well except to know that he was, you know, he
14 had a reputation for being a pretty steady kind of
15 blokey guy, not, not a trouble maker, you know, a
16 trusted employee, showed up on time. Something like
17 that.

18 LIEUTENANT COMMANDER HAMMOND: Okay. As far as
19 direct dealings, interaction with the captains, would
20 that be Ed?

21 MR. MURRAY: That is Ed and Ron.

22 LIEUTENANT COMMANDER HAMMOND: More hands on
23 with the captains.

24 MR. MURRAY: Very much so. I mean, I oversee
25 the partnership -- Seaport Taxi last year, 15, 20

1 percent of the time.

2 MR. TURRELL: Okay. Officer?

3 CORPORAL SHOCKEY: Nothing.

4 MR. TURRELL: Tom Roth-Roffy, NTSB.
5 Engineering Group Chairman.

6 MR. ROTH-ROFFY: Sorry, for coming in a little
7 bit late.

8 MR. MURRAY: No problem.

9 MR. ROTH-ROFFY: I am not sure exactly where
10 we are at, but, the engineering part of the operation,
11 who would responsible for that?

12 MR. MURRAY: Ed, Ed Narizzano and then
13 assistant by Ron and then we outsource a lot of the,
14 you know, heavy lifting work or whatever to Anchor Bay
15 or sometimes Baltimore Marine Center. But, Ed is the
16 primary person. He is extremely talented, trained
17 mechanic.

18 MR. ROTH-ROFFY: Okay. And did you talk about
19 the history of the company, how it got started and how
20 long it has been in business?

21 MR. MURRAY: Would you like a brief?

22 MR. TURRELL: Yes, please.

23 MR. MURRAY: The company was purchased from an
24 independent owner/operator named Ron Morgan in March of
25 2000. I only joined the company in February of 2001.

1 So, for the first year of operation I was not involved.

2 But, Living Classroom Foundation purchased it because
3 they needed a way to link all the Natural Historic
4 Seaport sites. They had tried to purchase that from
5 Ron Morgan and the Water Taxi and I believe -- So that
6 is why the business was brought. And I got involved in
7 2001. There were certainly a lot of start up issues in
8 2000, but, and actually when I arrived in early 2001,
9 they continued. And really continued until we hired Ed
10 and Ron. Well, Ron was returning, but we hired Ed as
11 the operations officer and immediately solved a lot of
12 mechanical problems we were having, because he is a
13 very talented mechanic.

14 MR. ROTH-ROFFY: Okay. So, in 2000, how many
15 boats were being run and how does that compare with
16 what you are running today?

17 MR. MURRAY: I think there were seven or
18 eight, I am not sure. We have records. And we own and
19 operate 11 today.

20 MR. ROTH-ROFFY: Okay. And could you just give
21 a ball park figure of your annual revenues?

22 MR. MURRAY: Our annual revenues last year
23 were approximately a million two. It was a little less
24 than we hoped, but, since it was the weather --

25 MR. TURRELL: Is this for Seaport Taxi?

1 MR. MURRAY: Seaport Taxi.

2 MR. TURRELL: That is gross.

3 MR. MURRAY: Gross.

4 MR. ROTH-ROFFY: And did you talk about the
5 overall corporate structure of your position and how
6 you --

7 MR. MURRAY: I think I did, yes.

8 MR. ROTH-ROFFY: Okay. So, Seaport Taxi is
9 just one of the companies that you oversee?

10 MR. MURRAY: Correct.

11 MR. ROTH-ROFFY: And there are how many other
12 companies?

13 MR. MURRAY: I directly oversee Natural
14 Historic Seaport is seven separate, legal entities that
15 I have oversight of, including an administrative unit
16 that is mine. So, really, the administrative unit, our
17 own profit center and six other entities. And on top
18 of that, there are six partner -- Which is a part of
19 the Natural Historic Seaport. So, we don't have any
20 ownership control, but they are part of the larger
21 partnership.

22 MR. ROTH-ROFFY: And how many employees does
23 the company, the water taxi part of?

24 MR. MURRAY: It is extremely seasonal. And
25 the low point, which we are just exiting, probably on

1 payroll 10 to 12 people, of that maybe five or six are
2 full time, the rest are part time, such is Captain
3 Frank, who would come in on the weekends when we do get
4 some business. During the summer we could go up to 60
5 plus employees.

6 MR. ROTH-ROFFY: Okay. Did you talk about your
7 background, where you came from and all of that?

8 MR. MURRAY: Briefly.

9 MR. ROTH-ROFFY: Your educational background,
10 training and experience.

11 MR. MURRAY: Well, my educational background I
12 was a business major at the University of North
13 Carolina, Chapel Hill. Then I went to work for
14 Chemical Bank in New York -- Did that for five years in
15 New York City and then I went out to start on a joint
16 venture in -- And did that essentially for 10 years.
17 And then I came back in 1991, returned to the States
18 and got involved in -- before I joined here and worked
19 up to managing director partner and also chief
20 operating officer about a 100 million subsidiary of
21 KPMG. Which involved traveling non stop -- thinking
22 there would be no risk here.

23 MR. ROTH-ROFFY: And your marine operations
24 background, do you have any prior --

25 MR. MURRAY: No, I don't. Well, I was really

1 hired by the company for strategic planning, financial
2 management and with the view that we would hire people
3 to manage.

4 MR. ROTH-ROFFY: Do you have any background in
5 safety, operation safety?

6 MR. MURRAY: Besides a life guard, Red Cross
7 life guard certificate, not really.

8 MR. ROTH-ROFFY: Okay. I think that is about
9 all I have for now.

10 MR. TURRELL: Roughly, do you know the annual
11 passenger count would be for the operation?

12 MR. MURRAY: It is approximately 220,000 to
13 250,000 paying passengers, and then, you know, they
14 probably, the average passenger probably averages two
15 to three trips a day, so, you know, we are looking at
16 triple, two to three times that in trips, but in actual
17 paying passengers, 200 to 250,000.

18 MR. TURRELL: Okay. And the number of boats
19 operating right now, as of this weekend?

20 MR. MURRAY: In the winter -- which are five,
21 I think we had, four or five yesterday, Ron.

22 MR. SILVER: In the capacity of six in the
23 water.

24 MR. MURRAY: Right, so depending on the day
25 and you know, four to six.

1 MR. SILVER: We have six operational certified
2 boats in the water.

3 MR. TURRELL: Okay. Do you know if your
4 operations has any means of reporting problems of
5 grievences? Is tehre any sort of process for employees
6 to report a grievance, employee?

7 MR. MURRAY: Do we have a process in place?

8 MR. TURRELL: Is there a method that an
9 employee could anonomously report a grievance or --

10 MR. MURRAY: I am not aware.

11 MR. TURRELL: A safety problem, or safety
12 issue.

13 MR. MURRAY: I mean, if there is a complaint
14 and they can't get resolution through Ed or Ron, they
15 would either come to myself or to James, typically.

16 MR. TURRELL: Okay.

17 MR. MURRAY: But, annonmous, I don't, it would
18 usually go above Ed and Ron and come to myself or
19 James.

20 MR. TURRELL: Okay. Any other --

21 LIEUTENANT COMMANDER HAMMOND: Who is in
22 charge of the company, Seaport Taxi's safety program?

23 MR. MURRAY: The Director, Ed.

24 LIEUTENANT COMMANDER HAMMOND: Okay.

25 MR. ROTH-ROFFY: Tom Roth-Roffy, again. Sir,

1 could you, do you have any competitors in the Harbor
2 taxi service business?

3 MR. MURRAY: Yes.

4 MR. ROTH-ROFFY: And could you describe their
5 operations?

6 MR. MURRAY: It is Ed Kane's Water Taxi, it
7 was the original service on the water, 20 some odd
8 years ago. It was run until last summer by Ed Kane,
9 who founded the business. And he passed away from lung
10 cancer either late summer or fall, and his wife, Pam
11 Kane is now running the operation. When we, when we
12 first took the business over, they probably had 70
13 percent market share, we had 30. We would like to
14 believe through operational improvements, customer
15 service, that we are now even, 50/50 market share. I
16 would say it is very competitive environment, active.
17 We do compete, no question. When Ed Kane was alive,
18 there was, he did not like us. There was, so there was
19 a lot of tension there often pointed at the press. You
20 know, he would try to get -- Since he has passed away
21 that has almost disappeared. And our relationship with
22 his wife, who is running the business, is quite good.
23 We have actually tried to buy his business the last two
24 to three years, but, with no success because the price
25 is just, we thought unreasonable.

1 MR. ROTH-ROFFY: And do you know how many
2 boats they operate?

3 MR. MURRAY: I believe they have 11 to 13
4 certified boats but they rarely run them all. And I
5 think last year on a busy, busy weekend, they might
6 have 10 or 11 out. But, during the winter like us,
7 this winter, they put out one boat.

8 MR. ROTH-ROFFY: Okay. And do they, are they
9 basically the same type of vessel that they run?

10 MR. MURRAY: No, it is, where were are pontoon
11 boats, they may have a couple of pontoon boats, but,
12 they have a mixture of boats. And I am not a marine
13 person, so, they have got like Corinths, but I couldn't
14 tell you the exact makeup, but, the big difference is
15 our boats are front loading, where theirs are almost
16 all side loading.

17 MR. ROTH-ROFFY: Did you talk about the
18 different runs you make in this harbor, did you get all
19 of that documented.

20 MR. MURRAY: No.

21 MR. ROTH-ROFFY: Could you describe the
22 various runs that you operate on with your service?

23 MR. MURRAY: Right. It is, and I am talking
24 now not in the winter when we are running one boat,
25 but, when we are really up and operating from the

1 middle of the Spring through Summer. We run
2 essentially an inner loop and an outer loop. Most, 70
3 percent of our business originates from Harbor Place.
4 We go direct to Fells Point and then we make all the
5 local stops going back in, which is five or six
6 additional stops. And on a busy weekend, we will have
7 five boats in that loop and try to get them spaced. And
8 typically there will be lines at Harbor Place. We
9 can't serve, neither service, both services combined
10 cannot service the demand on a nice weekend in the
11 Spring or Summer.

12 That is the inner loop and the biggest boats
13 typically are used for that. And then the outer loop
14 is from Fells Point to direct to here, the Fort, and
15 then typically if we get a will call, we will stop at
16 two or three stops on the way in back from Fells Point
17 and one or two boats, depending on the traffic, or
18 three, will do that loop. And so that is basically it,
19 an inner loop and an outer loop. And 70, 65, 70
20 percent of the traffic is typically concentrated in the
21 inner, with most of, the rest demand to take people out
22 here.

23 MR. ROTH-ROFFY: And does your competitor
24 operate the same service, basically?

25 MR. MURRAY: He does not, she does not. They,

1 we have a sole lease for the Fort McHenry dock. They
2 are a partner, part of the Natural Historic Seaport.
3 So, they run the boat over to Tide Point and then put
4 the customers that want to go to Fort McHenry on a
5 jiffy, a bus.

6 MR. ROTH-ROFFY: Is that the only service they
7 run, the Tide Point?

8 MR. MURRAY: Tide Point. Oh, they also
9 service that, they also have a, a ping pong boat that
10 goes from Fells Point to Tide Point and back.

11 MR. SILVER: -- two operations. We have a
12 couple of spots they don't have, they have a couple of
13 spots we don't have. For all intent and purposes --
14 the single difference, they don't go to Fells Point.
15 They just have service to Canton -- and one or two
16 stops -- You know, we go -- For all intents and
17 purposes it is just -- In most cases direct competition
18 within 60, 70 feet of each other.

19 MR. ROTH-ROFFY: And, sir, did you say who
20 your supervisor is, who is your boss?

21 MR. MURRAY: Yes, my supervisor is the Chief
22 Executive, James Bond.

23 MR. ROTH-ROFFY: James Bond.

24 MR. MURRAY: Yes.

25 MR. ROTH-ROFFY: And is anybody above Mr.

1 Bond?

2 MR. MURRAY: Executive Committee and Board of
3 Directors.

4 MR. ROTH-ROFFY: Executive Committee --

5 MR. MURRAY: Of the Foundation. Businessmen
6 that volunteer their time and Board of Directors that
7 is headed up by a chairman. But, none of them are paid
8 employees.

9 MR. ROTH-ROFFY: Is the corporation overall
10 just a for profit corporation?

11 MR. MURRAY: Non, non profit.

12 MR. ROTH-ROFFY: Non profit corporation.

13 MR. MURRAY: Five, oh, one, C three, all
14 including Seaport Taxi.

15 MR. ROTH-ROFFY: The entities are all non
16 profit as well.

17 MR. TURRELL: I have no more questions.

18 MR. ROTH-ROFFY: Okay. The time is about 20
19 minutes to four.

20 MR. TURRELL: Okay. Thank you very much.

21 (Whereupon, the interview was concluded.)